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## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 10, 2006

Stephen G. Bunn  
Broken Arrow, Inc.  
8960 North Highway 40  
Lakepoint, Utah 84074

Subject: New Reclamation Contract; Broken Arrow, Inc.; Ophir Limestone Quarry,  
S/045/067, Tooele County, Utah

Dear Mr. Bunn:

Enclosed with this letter is a new reclamation contract for the Ophir Limestone Quarry. The Division of Oil, Gas and Mining requests that you or another person who is listed with the Division of Corporations as an officer of Broken Arrow, Inc., sign this contract and return it. Alternatively, we ask that you provide a power of attorney, a resolution of the Board of Directors, or similar documentation showing that Sid Hullinger has signatory authority to bind Broken Arrow, Inc.

The reclamation contract for the Ophir Limestone Quarry was signed on October 13, 2005, by Sid Hullinger. Mr. Hullinger is not shown on the records of the Division of Corporations as an officer of Broken Arrow, Inc., and it is for this reason that the Division needs to have the new reclamation contract or the documentation discussed above.

If possible, the Division would like to receive the contract or the documentation by January 30, 2006. If this is not possible, please let us know.

Thank you for your cooperation. If you have questions about this letter, please call Paul Baker at 801-538-5261 or Beth Ericksen at 801-538-5318.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:PBB:jb  
Enclosure: Reclamation Contract  
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FORM MR-RC  
Revised May 9, 2005  
RECLAMATION CONTRACT

File Number S/045/067

Effective Date October 13, 2005

Other Agency File Number \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**  
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>S/045/067</u>
(Mineral Mined)	<u>Limestone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Ophir Limestone</u>
(Description)	<u>Immediately west of Main Street in the town of Ophir, Utah</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>5</u>
(Legal Description)	<u>(Refer to Attachment A)</u>
"OPERATOR":	
(Company or Name)	<u>Broken Arrow, Inc.</u>
(Address)	<u>8960 North Highway 40</u>
	<u>Lakepoint, Utah 84074</u>
(Phone)	<u>(801) 355-0527</u>

**"OPERATOR'S REGISTERED AGENT":**

Name)

(Address)

(Phone)

Stephen G. Bunn

8960 North Highway 40

Lakepoint, Utah 84074

(801-355-0527

**"OPERATOR'S OFFICER(S)" & TITLE:**

Stephen G. Bunn, President

D. Scott Maxwell, Vice President

James C. Groscot, Secretary/Treasurer

Bruce V. Andrews, Director

Lee E. Johnson, Director

**SURETY":**

(Form of Surety - Attachment B)

Cash – Certified Funds

**"SURETY COMPANY":**

(Name, Policy or Acct. No.)

State Treasurer's (Zions Bank)

Exhibit B1

**"SURETY AMOUNT":**

(Escalated Dollars)

\$5,000

**"ESCALATION YEAR":**

2008

**"STATE":**

State of Utah

**"DIVISION":**

Division of Oil, Gas and Mining

**"BOARD":**

Board of Oil, Gas and Mining

**ATTACHMENTS:**

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Broken Arrow, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/045/067 accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention received by the Division on October 12, 2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof. The prior reclamation contract execution date of October 13, 2005, is incorporated into this contract and becomes the Reclamation Contract date of execution.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the



Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Broken Arrow, Inc..  
Operator Name

By \_\_\_\_\_  
Authorized Officer (Typed or Printed)

\_\_\_\_\_  
Authorized Officer - Position

\_\_\_\_\_  
Officer's Signature

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, \_\_\_\_\_ personally appeared before me, who being by me duly sworn did say that he/she is the \_\_\_\_\_ of Broken Arrow, Inc. and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said \_\_\_\_\_ duly acknowledged to me that said company executed the same.

\_\_\_\_\_  
Notary Public  
Residing at \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
John R. Baza, Director

\_\_\_\_\_  
Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_, \_\_\_\_\_  
personally appeared before me, who being duly sworn did say that he, the said  
\_\_\_\_\_ is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:



## ATTACHMENT "A"

Broken Arrow, Inc.  
Operator

Ophir Limestone  
Mine Name

S/045/067  
Permit Number

Tooele County, Utah

### LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

**The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed five (5) acres under the approved / accepted permit and surety, as reflected on the attached map labeled S0450067 – Ophir and dated October 12, 2005 :**

Portions of: West 1/2 of NE1/4, Section 23, Township 5 South, Range 4 West





Mine Number: 5/049/067  
 Mine Name: Ophir  
 Township 05 S Range 04 W Section 23 SLBM

12  
 Inspection Date Oct 14, 2005  
 Map Produced by DKS

Acres Disturbed	0
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0
Total Acres Disturbed	0
Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

- Legend**  
 All items symbolized in legend may not be appear on map
- County Boundary
  - Township or range Line
  - Access
  - Township or range line: location doubtful
  - Mine
  - Section line
  - Nonline
  - Section line: location doubtful
  - Other
  - Disturbed
  - Interstate
  - Regraded
  - US Route
  - Seeded
  - State Route
  - Released
  - Primary Road
  - Excluded
  - Secondary Road
  - PreExisting
  - Main Dist Road
  - Proter
  - Unimproved Road
  - Bound Area
  - Interchange
  - STLA Mineral Lessee
  - Trail
  - BLM Lessee
  - Community PM

DOQ imagery date 1997



0 625  
 Feet  
 1:7,500 1 inch equals 625 feet  
 Verify Scale

Dept. of Natural Resources  
 Division of Oil, Gas, and Mining  
 Mineral Mines Program

Different data sources and input scales  
 may cause misalignment of data layers.  
 This product may not meet DGM  
 standards for accuracy and content.